

AMENDED IN SENATE APRIL 21, 2005

SENATE BILL

No. 941

Introduced by ~~Senator Alquist~~ *Senators Alquist and Speier*

February 22, 2005

~~An act to amend and repeal Section 1797.98c of the Welfare and~~ *An act to amend Sections 1797.98a and 1797.98c of, and to amend and repeal Section 1797.98e of, the Health and Safety Code, and to amend Sections 16952, 16953.3, 16955, and 16956 of, and to add Section 16952.1 to, the Welfare and Institutions Code, relating to emergency medical services.*

LEGISLATIVE COUNSEL'S DIGEST

SB 941, as amended, Alquist. Emergency medical services fund.

Existing law, the Emergency Medical Services System and Prehospital Emergency Medical Care Personnel Act (EMS Act), establishes the Emergency Medical Services Authority within the California Health and Human Services Agency to provide statewide coordination of local county EMS programs.

Existing law, authorizes a county to establish an emergency medical services fund for reimbursement of EMS related costs, and *provides that the costs of administering the fund shall be reimbursed up to 10% of the amount of the fund.*

This bill would provide, instead, that the costs of administering the fund shall be based on the actual administrative costs, not to exceed 10% of the amount of the fund.

Existing law requires each county to establish within its emergency medical services fund a Physician Services Account, into which each county is required to deposit funds appropriated by the Legislature for purposes of the account. Existing law provides that the costs of

administering the account shall be reimbursed by the account, up to 10% of the amount of the account.

This bill would provide instead, that the costs of administering the account, either by the county or the department through the emergency services contract back program be reimbursed by the account based on actual administrative costs not to exceed 10% of the amount of the account.

Existing law provides that the County Emergency Medical Services Fund and Physician Services Account shall be used to reimburse physicians and surgeons for losses incurred for services provided to patients that meet 2 criteria.

This bill would add to that criteria that the patient does not have health insurance coverage for emergency services and care. The bill would also allow physicians to be eligible to receive payments from the fund for patient care services provided by, or in conjunction with, a properly credentialed nurse practitioner or physician's assistant for care rendered as provided under the bill.

Existing law authorizes the reimbursement of physicians and surgeons from the Emergency Medical Services Fund for up to 50% of the amount claimed and allows additional proportional reimbursement to physicians and surgeons of all funds remaining at the end of the fiscal year in excess of certain reserves. Existing law prohibits a physician from being reimbursed from the Physician Services Account for more than 50% of the losses submitted to the administering agency.

This bill would revise reimbursement from the Physician Services Account to allow proportional distribution to physicians and surgeons beyond 50% of the amount claimed, as to all funds remaining at the end of the fiscal year.

This bill would require each county establishing a Physicians Services Account in the county emergency medical services fund to annually report on April 15 to the Legislature on the implementation and status of the account.

Existing law authorizes a county to adopt a fee schedule to establish a uniform, reasonable, level of reimbursement from the physician services account for reimbursable services.

This bill, instead, would require the county to adopt the fee schedule.

Existing law requires the administering agency to establish procedures and time schedules for submission and processing of

reimbursement claims from the Physicians Services Account submitted by physicians in accordance with these provisions and requires that schedules for payment provide for periodic disbursement of the funds to physicians, at least annually.

This bill would require periodic disbursement of the fund at least quarterly.

Existing law authorizes payments from the emergency medical services fund for unreimbursed emergency medical services performed on the calendar day on which the services are first performed and the immediately following 2 calendar days.

Under existing law changes would become operative January 1, 2007, including, but not limited to, a prohibition against payments for services provided beyond a 48-hour period of continuous service to the patient.

This bill will repeal the January 1, 2007, changes.

This bill would also provide for an exception from the requirement that payments be limited to emergency medical services provided on the calendar day on which emergency medical services are first provided and on the immediately following 12 calendar days, for services provided to a patient transferred to a second facility providing a higher level of care for the treatment of the emergency condition.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. This act shall be known and may be cited as the*
2 *Emergency Room Funding Act.*

3 *SEC. 2. Section 1797.98a of the Health and Safety Code is*
4 *amended to read:*

5 1797.98a. (a) The fund provided for in this chapter shall be
6 known as the Maddy Emergency Medical Services (EMS) Fund.

7 (b) (1) Each county may establish an emergency medical
8 services fund, upon adoption of a resolution by the board of
9 supervisors. The moneys in the fund shall be available for the
10 reimbursements required by this chapter. The fund shall be
11 administered by each county, except that a county electing to
12 have the state administer its medically indigent services program

1 may also elect to have its emergency medical services fund
2 administered by the state.

3 (2) Costs of administering the fund shall be reimbursed by the
4 fund, ~~up to~~ *based on the actual administrative costs, not to*
5 *exceed* of 10 percent of the amount of the fund.

6 (3) All interest earned on moneys in the fund shall be
7 deposited in the fund for disbursement as specified in this
8 section.

9 (4) Each administering agency may maintain a reserve of up to
10 15 percent of the amount in the portions of the fund reimbursable
11 to physicians and surgeons, pursuant to subparagraph (A) of, and
12 to hospitals, pursuant to subparagraph (B) of, paragraph (5). Each
13 administering agency may maintain a reserve of any amount in
14 the portion of the fund that is distributed for other emergency
15 medical services purposes as determined by each county,
16 pursuant to subparagraph (C) of paragraph (5).

17 (5) The amount in the fund, reduced by the amount for
18 administration and the reserve, shall be utilized to reimburse
19 physicians and surgeons and hospitals for patients who do not
20 make payment for emergency medical services and for other
21 emergency medical services purposes as determined by each
22 county according to the following schedule:

23 (A) Fifty-eight percent of the balance of the fund shall be
24 distributed to physicians and surgeons for emergency services
25 provided by all physicians and surgeons, except those physicians
26 and surgeons employed by county hospitals, in general acute care
27 hospitals that provide basic or comprehensive emergency
28 services up to the time the patient is stabilized.

29 (B) Twenty-five percent of the fund shall be distributed only
30 to hospitals providing disproportionate trauma and emergency
31 medical care services.

32 (C) Seventeen percent of the fund shall be distributed for other
33 emergency medical services purposes as determined by each
34 county, including, but not limited to, the funding of regional
35 poison control centers. Funding may be used for purchasing
36 equipment and for capital projects only to the extent that these
37 expenditures support the provision of emergency services and are
38 consistent with the intent of this chapter.

1 (c) The source of the moneys in the fund shall be the penalty
2 assessment made for this purpose, as provided in Section 76000
3 of the Government Code.

4 (d) Any physician and surgeon may be reimbursed for up to 50
5 percent of the amount claimed pursuant to subdivision (a) of
6 Section 1797.98c for the initial cycle of reimbursements made by
7 the administering agency in a given year, pursuant to Section
8 1797.98e. All funds remaining at the end of the fiscal year in
9 excess of any reserve held and rolled over to the next year
10 pursuant to paragraph (4) of subdivision (b) shall be distributed
11 proportionally, based on the dollar amount of claims submitted
12 and paid to all physicians and surgeons who submitted qualifying
13 claims during that year.

14 *SEC. 3. Section 1797.98c of the Health and Safety Code is*
15 *amended to read:*

16 1797.98c. (a) Physicians and surgeons wishing to be
17 reimbursed shall submit their claims for emergency services
18 provided to patients who do not make any payment for services
19 and for whom no responsible third party makes any payment.

20 (b) If, after receiving payment from the fund, a physician and
21 surgeon is reimbursed by a patient or a responsible third party,
22 the physician and surgeon shall do one of the following:

23 (1) Notify the administering agency, and, after notification, the
24 administering agency shall reduce the physician and surgeon's
25 future payment of claims from the fund. In the event there is not
26 a subsequent submission of a claim for reimbursement within one
27 year, the physician and surgeon shall reimburse the fund in an
28 amount equal to the amount collected from the patient or
29 third-party payer, but not more than the amount of
30 reimbursement received from the fund.

31 (2) Notify the administering agency of the payment and
32 reimburse the fund in an amount equal to the amount collected
33 from the patient or third-party payer, but not more than the
34 amount of the reimbursement received from the fund for that
35 patient's care.

36 (c) Reimbursement of claims for emergency services provided
37 to patients by any physician and surgeon shall be limited to
38 services provided to a patient who *does not have health*
39 *insurance coverage for emergency services and care*, cannot
40 afford to pay for those services, and for whom payment will not

1 be made through any private coverage or by any program funded
2 in whole or in part by the federal government, and where all of
3 the following conditions have been met:

4 (1) The physician and surgeon has inquired if there is a
5 responsible third-party source of payment.

6 (2) The physician and surgeon has billed for payment of
7 services.

8 (3) Either of the following:

9 (A) At least three months have passed from the date the
10 physician and surgeon billed the patient or responsible third
11 party, during which time the physician and surgeon has made two
12 attempts to obtain reimbursement and has not received
13 reimbursement for any portion of the amount billed.

14 (B) The physician and surgeon has received actual notification
15 from the patient or responsible third party that no payment will
16 be made for the services rendered by the physician and surgeon.

17 (4) The physician and surgeon has stopped any current, and
18 waives any future, collection efforts to obtain reimbursement
19 from the patient, upon receipt of moneys from the fund.

20 (d) A listing of patient names shall accompany a physician and
21 surgeon's submission, and those names shall be given full
22 confidentiality protections by the administering agency.

23 (e) Notwithstanding any other restriction on reimbursement, a
24 county shall adopt a fee schedule and reimbursement
25 methodology to establish a uniform reasonable level of
26 reimbursement from the county's emergency medical services
27 fund for reimbursable services.

28 (f) For the purposes of submission and reimbursement of
29 physician and surgeon claims, the administering agency shall
30 adopt and use the current version of the Physicians' Current
31 Procedural Terminology, published by the American Medical
32 Association, or a similar procedural terminology reference.

33 (g) Each administering agency of a fund under this chapter
34 shall make all reasonable efforts to notify physicians and
35 surgeons who provide, or are likely to provide, emergency
36 services in the county as to the availability of the fund and the
37 process by which to submit a claim against the fund. The
38 administering agency may satisfy this requirement by sending
39 materials that provide information about the fund and the process
40 to submit a claim against the fund to local medical societies,

1 hospitals, emergency rooms, or other organizations, including
2 materials that are prepared to be posted in visible locations.

3 *SEC. 4. Section 1797.98e of the Health and Safety Code, as*
4 *amended by Section 2 of Chapter 524 of the Statutes of 2004, is*
5 *amended to read:*

6 1797.98e. (a) It is the intent of the Legislature that a
7 simplified, cost-efficient system of administration of this chapter
8 be developed so that the maximum amount of funds may be
9 utilized to reimburse physicians and surgeons and for other
10 emergency medical services purposes. The administering agency
11 shall select an administering officer and shall establish
12 procedures and time schedules for the submission and processing
13 of proposed reimbursement requests submitted by physicians and
14 surgeons. The schedule shall provide for disbursements of
15 moneys in the Emergency Medical Services Fund on at least a
16 quarterly basis to applicants who have submitted accurate and
17 complete data for payment. When the administering agency
18 determines that claims for payment for physician and surgeon
19 services are of sufficient numbers and amounts that, if paid, the
20 claims would exceed the total amount of funds available for
21 payment, the administering agency shall fairly prorate, without
22 preference, payments to each claimant at a level less than the
23 maximum payment level. Each administering agency may
24 encumber sufficient funds during one fiscal year to reimburse
25 claimants for losses incurred during that fiscal year for which
26 claims will not be received until after the fiscal year. The
27 administering agency may, as necessary, request records and
28 documentation to support the amounts of reimbursement
29 requested by physicians and surgeons and the administering
30 agency may review and audit the records for accuracy.
31 Reimbursements requested and reimbursements made that are not
32 supported by records may be denied to, and recouped from,
33 physicians and surgeons. Physicians and surgeons found to
34 submit requests for reimbursement that are inaccurate or
35 unsupported by records may be excluded from submitting future
36 requests for reimbursement. The administering officer shall not
37 give preferential treatment to any facility, physician and surgeon,
38 or category of physician and surgeon and shall not engage in
39 practices that constitute a conflict of interest by favoring a
40 facility or physician and surgeon with which the administering

1 officer has an operational or financial relationship. A hospital
2 administrator of a hospital owned or operated by a county of a
3 population of 250,000 or more as of January 1, 1991, or a person
4 under the direct supervision of that person, shall not be the
5 administering officer. The board of supervisors of a county or
6 any other county agency may serve as the administering officer.
7 The administering officer shall solicit input from physicians and
8 surgeons and hospitals to review payment distribution
9 methodologies to ensure fair and timely payments. This
10 requirement may be fulfilled through the establishment of an
11 advisory committee with representatives comprised of local
12 physicians and surgeons and hospital administrators. In order to
13 reduce the county's administrative burden, the administering
14 officer may instead request an existing board, commission, or
15 local medical society, or physicians and surgeons and hospital
16 administrators, representative of the local community, to provide
17 input and make recommendations on payment distribution
18 methodologies.

19 (b) Each provider of health services that receives payment
20 under this chapter shall keep and maintain records of the services
21 rendered, the person to whom rendered, the date, and any
22 additional information the administering agency may, by
23 regulation, require, for a period of three years from the date the
24 service was provided. The administering agency shall not require
25 any additional information from a physician and surgeon
26 providing emergency medical services that is not available in the
27 patient record maintained by the entity listed in subdivision (f)
28 where the emergency medical services are provided, nor shall the
29 administering agency require a physician and surgeon to make
30 eligibility determinations.

31 (c) During normal working hours, the administering agency
32 may make any inspection and examination of a hospital's or
33 physician and surgeon's books and records needed to carry out
34 ~~the provisions of~~ this chapter. A provider who has knowingly
35 submitted a false request for reimbursement shall be guilty of
36 civil fraud.

37 (d) Nothing in this chapter shall prevent a physician and
38 surgeon from utilizing an agent who furnishes billing and
39 collection services to the physician and surgeon to submit claims
40 or receive payment for claims.

1 (e) All payments from the fund pursuant to Section 1797.98c
2 to physicians and surgeons shall be limited to physicians and
3 surgeons who, in person, provide onsite services in a clinical
4 setting, including, but not limited to, radiology and pathology
5 settings.

6 (f) All payments from the fund shall be limited to claims for
7 care rendered by physicians and surgeons to patients who are
8 initially medically screened, evaluated, treated, or stabilized in
9 any of the following:

10 (1) A basic or comprehensive emergency department of a
11 licensed general acute care hospital.

12 (2) A site that was approved by a county prior to January 1,
13 1990, as a paramedic receiving station for the treatment of
14 emergency patients.

15 (3) A standby emergency department that was in existence on
16 January 1, 1989, in a hospital specified in Section 124840.

17 (4) For the 1991–92 fiscal year and each fiscal year thereafter,
18 a facility which contracted prior to January 1, 1990, with the
19 National Park Service to provide emergency medical services.

20 (g) Payments shall be made only for emergency medical
21 services provided on the calendar day on which emergency
22 medical services are first provided and on the immediately
23 following two calendar days.

24 (h) Notwithstanding subdivision (g), if it is necessary to
25 transfer the patient to a second facility providing a higher level of
26 care for the treatment of the emergency condition, reimbursement
27 shall be available for services provided at the facility to which
28 the patient was transferred on the calendar day of transfer and on
29 the immediately following two calendar days.

30 (i) Payment shall be made for medical screening examinations
31 required by law to determine whether an emergency condition
32 exists, notwithstanding the determination after the examination
33 that a medical emergency does not exist. Payment shall not be
34 denied solely because a patient was not admitted to an acute care
35 facility. Payment shall be made for services to an inpatient only
36 when the inpatient has been admitted to a hospital from an entity
37 specified in subdivision (f).

38 (j) The administering agency shall compile a quarterly and
39 yearend summary of reimbursements paid to facilities and
40 physicians and surgeons. The summary shall include, but shall

1 not be limited to, the total number of claims submitted by
2 physicians and surgeons in aggregate from each facility and the
3 amount paid to each physician and surgeon. The administering
4 agency shall provide copies of the summary and forms and
5 instructions relating to making claims for reimbursement to the
6 public, and may charge a fee not to exceed the reasonable costs
7 of duplication.

8 (k) Each county shall establish an equitable and efficient
9 mechanism for resolving disputes relating to claims for
10 reimbursements from the fund. The mechanism shall include a
11 requirement that disputes be submitted either to binding
12 arbitration conducted pursuant to arbitration procedures set forth
13 in Chapter 3 (commencing with Section 1282) and Chapter 4
14 (commencing with Section 1285) of Part 3 of Title 9 of the Code
15 of Civil Procedure, or to a local medical society for resolution by
16 neutral parties.

17 ~~(l) This section shall remain in effect only until January 1,~~
18 ~~2007, and as of that date is repealed, unless a later enacted~~
19 ~~statute, that is enacted before January 1, 2007, deletes or extends~~
20 ~~that date~~ *Physicians and surgeons shall be eligible to receive*
21 *payment for patient care services provided by, or in conjunction*
22 *with, a properly credentialed nurse practitioner or physician's*
23 *assistant for care rendered under the direct supervision of a*
24 *physician and surgeon who is present in the facility where the*
25 *patient is being treated and who is available for immediate*
26 *consultation. Payment shall be limited to those claims that are*
27 *substantiated by a medical record and that have been reviewed*
28 *and counter-signed by the supervising physician and surgeon in*
29 *accordance with regulations established for the supervision of*
30 *nurse practitioners and physician assistants in California.*

31 *SEC. 5. Section 1797.98e of the Health and Safety Code, as*
32 *added by Section 3 of Chapter 524 of the Statutes of 2004, is*
33 *repealed.*

34 ~~1797.98e. (a) It is the intent of the Legislature that a~~
35 ~~simplified, cost-efficient system of administration of this chapter~~
36 ~~be developed so that the maximum amount of funds may be~~
37 ~~utilized to reimburse physicians and surgeons and for other~~
38 ~~emergency medical services purposes. The administering agency~~
39 ~~shall select an administering officer and shall establish~~
40 ~~procedures and time schedules for the submission and processing~~

1 of proposed reimbursement requests submitted by physicians and
2 surgeons. The schedule shall provide for disbursements of
3 moneys in the Emergency Medical Services Fund on at least a
4 quarterly basis to applicants who have submitted accurate and
5 complete data for payment. When the administering agency
6 determines that claims for payment for physician and surgeon
7 services are of sufficient numbers and amounts that, if paid, the
8 claims would exceed the total amount of funds available for
9 payment, the administering agency shall fairly prorate, without
10 preference, payments to each claimant at a level less than the
11 maximum payment level. Each administering agency may
12 encumber sufficient funds during one fiscal year to reimburse
13 claimants for losses incurred during that fiscal year for which
14 claims will not be received until after the fiscal year. The
15 administering agency may, as necessary, request records and
16 documentation to support the amounts of reimbursement
17 requested by physicians and surgeons and the administering
18 agency may review and audit the records for accuracy.
19 Reimbursements requested and reimbursements made that are not
20 supported by records may be denied to, and recouped from,
21 physicians and surgeons. Physicians and surgeons found to
22 submit requests for reimbursement that are inaccurate or
23 unsupported by records may be excluded from submitting future
24 requests for reimbursement. The administering officer shall not
25 give preferential treatment to any facility, physician and surgeon,
26 or category of physician and surgeon and shall not engage in
27 practices that constitute a conflict of interest by favoring a
28 facility or physician and surgeon with which the administering
29 officer has an operational or financial relationship. A hospital
30 administrator of a hospital owned or operated by a county of a
31 population of 250,000 or more as of January 1, 1991, or a person
32 under the direct supervision of that person, shall not be the
33 administering officer. The board of supervisors of a county or
34 any other county agency may serve as the administering officer.
35 The administering officer shall solicit input from physicians and
36 surgeons and hospitals to review payment distribution
37 methodologies to ensure fair and timely payments. This
38 requirement may be fulfilled through the establishment of an
39 advisory committee with representatives comprised of local
40 physicians and surgeons and hospital administrators. In order to

1 ~~reduce the county's administrative burden, the administering~~
2 ~~officer may instead request an existing board, commission, or~~
3 ~~local medical society, or physicians and surgeons and hospital~~
4 ~~administrators, representative of the local community, to provide~~
5 ~~input and make recommendations on payment distribution~~
6 ~~methodologies.~~

7 ~~(b) Each provider of health services that receives payment~~
8 ~~under this chapter shall keep and maintain records of the services~~
9 ~~rendered, the person to whom rendered, the date, and any~~
10 ~~additional information the administering agency may, by~~
11 ~~regulation, require, for a period of three years from the date the~~
12 ~~service was provided. The administering agency shall not require~~
13 ~~any additional information from a physician and surgeon~~
14 ~~providing emergency medical services that is not available in the~~
15 ~~patient record maintained by the entity listed in subdivision (f)~~
16 ~~where the medical services are provided, nor shall the~~
17 ~~administering agency require a physician and surgeon to make~~
18 ~~eligibility determinations.~~

19 ~~(c) During normal working hours, the administering agency~~
20 ~~may make any inspection and examination of a hospital's or~~
21 ~~physician and surgeon's books and records needed to carry out~~
22 ~~the provisions of this chapter. A provider who has knowingly~~
23 ~~submitted a false request for reimbursement shall be guilty of~~
24 ~~civil fraud.~~

25 ~~(d) Nothing in this chapter shall prevent a physician and~~
26 ~~surgeon from utilizing an agent who furnishes billing and~~
27 ~~collection services to the physician and surgeon to submit claims~~
28 ~~or receive payment for claims.~~

29 ~~(e) All payments from the fund pursuant to Section 1797.98e~~
30 ~~to physicians and surgeons shall be limited to physicians and~~
31 ~~surgeons who, in person, provide onsite services in a clinical~~
32 ~~setting, including, but not limited to, radiology and pathology~~
33 ~~settings.~~

34 ~~(f) All payments from the fund shall be limited to claims for~~
35 ~~care rendered by physicians and surgeons to patients who are~~
36 ~~initially medically screened, evaluated, treated, or stabilized in~~
37 ~~any of the following:~~

38 ~~(1) A basic or comprehensive emergency department of a~~
39 ~~licensed general acute care hospital.~~

1 ~~(2) A site that was approved by a county prior to January 1,~~
2 ~~1990, as a paramedic receiving station for the treatment of~~
3 ~~emergency patients.~~

4 ~~(3) A standby emergency department that was in existence on~~
5 ~~January 1, 1989, in a hospital specified in Section 124840.~~

6 ~~(4) For the 1991–92 fiscal year and each fiscal year thereafter,~~
7 ~~a facility which contracted prior to January 1, 1990, with the~~
8 ~~National Park Service to provide emergency medical services.~~

9 ~~(g) Payments shall be made only for emergency services~~
10 ~~provided on the calendar day on which emergency medical~~
11 ~~services are first provided and on the immediately following two~~
12 ~~calendar days, however, payments may not be made for services~~
13 ~~provided beyond a 48-hour period of continuous service to the~~
14 ~~patient.~~

15 ~~(h) Notwithstanding subdivision (g), if it is necessary to~~
16 ~~transfer the patient to a second facility providing a higher level of~~
17 ~~care for the treatment of the emergency condition, reimbursement~~
18 ~~shall be available for services provided at the facility to which~~
19 ~~the patient was transferred on the calendar day of transfer and on~~
20 ~~the immediately following two calendar days, however,~~
21 ~~payments may not be made for services provided beyond a~~
22 ~~48-hour period of continuous service to the patient.~~

23 ~~(i) Payment shall be made for medical screening examinations~~
24 ~~required by law to determine whether an emergency condition~~
25 ~~exists, notwithstanding the determination after the examination~~
26 ~~that a medical emergency does not exist. Payment shall not be~~
27 ~~denied solely because a patient was not admitted to an acute care~~
28 ~~facility. Payment shall be made for services to an inpatient only~~
29 ~~when the inpatient has been admitted to a hospital from an entity~~
30 ~~specified in subdivision (f).~~

31 ~~(j) The administering agency shall compile a quarterly and~~
32 ~~yearend summary of reimbursements paid to facilities and~~
33 ~~physicians and surgeons. The summary shall include, but shall~~
34 ~~not be limited to, the total number of claims submitted by~~
35 ~~physicians and surgeons in aggregate from each facility and the~~
36 ~~amount paid to each physician and surgeon. The administering~~
37 ~~agency shall provide copies of the summary and forms and~~
38 ~~instructions relating to making claims for reimbursement to the~~
39 ~~public, and may charge a fee not to exceed the reasonable costs~~
40 ~~of duplication.~~

~~(k) Each county shall establish an equitable and efficient mechanism for resolving disputes relating to claims for reimbursements from the fund. The mechanism shall include a requirement that disputes be submitted either to binding arbitration conducted pursuant to arbitration procedures set forth in Chapter 3 (commencing with Section 1282) and Chapter 4 (commencing with Section 1285) of Part 3 of Title 9 of the Code of Civil Procedure, or to a local medical society for resolution by neutral parties.~~

~~(l) This section shall become operative January 1, 2007.~~

SEC. 6. Section 16952 of the Welfare and Institutions Code is amended to read:

16952. (a) (1) Each county shall establish within its emergency medical services fund a Physician Services Account. Each county shall deposit in the Physician Services Account those funds appropriated by the Legislature for the purposes of the Physician Services Account of the fund.

(2) (A) Each county may encumber sufficient funds to reimburse physician losses incurred during the fiscal year for which bills will not be received until after the fiscal year.

(B) Each county shall provide a reasonable basis for its estimate of the necessary amount encumbered.

(C) All funds ~~which~~ *that* are encumbered for a fiscal year shall be expended or disencumbered prior to the submission of the report of actual expenditures required by Sections 16938 and 16980.

(b) (1) Funds deposited in the Physician Services Account in the county emergency medical services fund shall be exempt from the percentage allocations set forth in subdivision (a) of Section 1797.98. However, funds in the county Physician Services Account shall not be used to reimburse for physician services provided by physicians employed by county hospitals.

~~No~~

(2) No physician who provides physician services in a primary care clinic which receives funds from this act shall be eligible for reimbursement from the Physician Services Account for any losses incurred in the provision of those services.

(c) The county physician services account shall be administered by each county, except that a county electing to have the state administer its medically indigent adult program as

1 authorized by Section 16809, may also elect to have its county
2 physician services account administered by the state in
3 accordance with Section 16954.

4 (d) Costs of administering the account, *whether by the county*
5 *or by the department through the emergency medical services*
6 *contract back program*, shall be reimbursed by the account, ~~up to~~
7 *based on actual administrative costs, not to exceed 10 percent of*
8 *the amount of the account.*

9 (e) For purposes of this article “administering agency” means
10 the agency designated by the board of supervisors to administer
11 this article, or the department, in the case of those CMSP
12 counties electing to have the state administer this article on their
13 behalf.

14 (f) The county Physician Services Account shall be used to
15 reimburse physicians for losses incurred for services provided
16 during the fiscal year of allocation due to patients *who do not*
17 *have health insurance coverage for emergency services and care,*
18 *who cannot afford to pay for those services, and for whom*
19 *payment will not be made through any private coverage or by*
20 *any program funded in whole or in part by the federal*
21 *government.*

22 (g) *Physicians shall be eligible to receive payment for patient*
23 *care services provided by, or in conjunction with, a properly*
24 *credentialed nurse practitioner or physician’s assistant for care*
25 *rendered under the direct supervision of a physician and surgeon*
26 *who is present in the facility where the patient is being treated*
27 *and who is available for immediate consultation. Payment shall*
28 *be limited to those claims that are substantiated by a medical*
29 *record and that have been reviewed and counter-signed by the*
30 *supervising physician and surgeon in accordance with*
31 *regulations established for the supervision of nurse practitioners*
32 *and physician assistants in California.*

33 ~~(g)~~

34 (h) (1) Reimbursement for losses shall be limited to
35 emergency services as defined in Section 16953, obstetric, and
36 pediatric services as defined in Sections 16905.5 and 16907.5,
37 respectively.

38 (2) It is the intent of this subdivision to allow reimbursement
39 for all of the following:

1 (A) All inpatient and outpatient obstetric services which are
2 medically necessary, as determined by the attending physician.

3 (B) All inpatient and outpatient pediatric services which are
4 medically necessary, as determined by the attending physician.

5 ~~(h) No physician shall be reimbursed for more than 50 percent~~
6 ~~of the losses submitted to the administering agency.~~

7 (i) *Any physician may be reimbursed for up to 50 percent of*
8 *the amount claimed pursuant to Section 16955 for the initial*
9 *cycle of reimbursements made by the administering agency in a*
10 *given year. All funds remaining at the end of the fiscal year shall*
11 *be distributed proportionally, based on the dollar amount of*
12 *claims submitted and paid to all physicians who submitted*
13 *qualifying claims during that year.*

14 SEC. 7. Section 16952.1 is added to the Welfare and
15 Institutions Code, to read:

16 16952.1. (a) *Each county that elects to establish a*
17 *Physicians Services Account in the county emergency medical*
18 *services fund shall annually, on April 15, report to the*
19 *Legislature on the implementation and status of the Physicians*
20 *Services Account. The report shall cover the preceding fiscal*
21 *year, and shall include, but not be limited to, all of the following:*

22 (1) *The total amount of moneys deposited in the Physicians*
23 *Services Account.*

24 (2) *The account balance and the amount of moneys disbursed*
25 *to physicians and surgeons.*

26 (3) *The number of claims paid to physicians, and the*
27 *percentage of claims paid, based on the uniform fee schedule, as*
28 *adopted by the county.*

29 (4) *The amount of moneys available to be disbursed to*
30 *physicians, descriptions of the physician claims payment*
31 *methodologies, the dollar amount of the total allowable claims*
32 *submitted, and the percentage at which those claims are*
33 *reimbursed.*

34 (5) *A statement of the policies, procedures, and regulatory*
35 *action taken to implement and run the program under this*
36 *chapter.*

37 (6) *The name of the physician and hospital administrator*
38 *organization, or names of specified physicians and hospital*
39 *administrators, contracted to review claims payment*
40 *methodologies.*

1 (b) Each county shall make available to any member of the
2 public, upon request, the report required under subdivision (a).

3 SEC. 8. Section 16953.3 of the Welfare and Institutions Code
4 is amended to read:

5 16953.3. Notwithstanding any other restrictions on
6 reimbursement, a county ~~may~~ shall adopt a fee schedule to
7 establish a uniform, reasonable level of reimbursement from the
8 physician services account for reimbursable services.

9 SEC. 9. Section 16955 of the Welfare and Institutions Code is
10 amended to read:

11 16955. Reimbursement for losses incurred by any physician
12 shall be limited to services provided to a patient ~~defined in~~
13 ~~subdivision~~ as established by subdivisions (f) and (g) of Section
14 16952, and where all of the following conditions have been met:

15 (a) The physician has inquired if there is a responsible
16 third-party source of payment.

17 (b) The physician has billed for payment of services.

18 (c) Either of the following:

19 (1) A period of not less than three months has passed from the
20 date the physician billed the patient or responsible third-party,
21 during which time the physician has made reasonable efforts to
22 obtain reimbursement and has not received reimbursement for
23 any portion of the amount billed.

24 (2) The physician has received actual notification from the
25 patient or responsible third party that no payment will be made
26 for the services rendered by the physician.

27 (d) The physician has stopped any current, and waives any
28 future, collection efforts to obtain reimbursement from the
29 patient, upon receipt of funds from the county physician services
30 account in the county emergency medical services fund.

31 SEC. 10. Section 16956 of the Welfare and Institutions Code
32 is amended to read:

33 16956. (a) The administering agency shall establish
34 procedures and time schedules for submission and processing of
35 reimbursement claims submitted by physicians in accordance
36 with this chapter.

37 (b) Schedules for payment established in accordance with this
38 section shall provide for disbursement of the funds available in
39 the account periodically and at least ~~annually~~ quarterly to all
40 physicians who have submitted claims containing accurate and

1 complete data for payment by the dates established by the
2 administering agency.

3 (c) Claims which are not supported by records may be denied
4 by the administering agency, and any reimbursement paid in
5 accordance with this chapter to any physician which is not
6 supported by records shall be repaid to the administering agency,
7 and shall be a claim against the physician.

8 (d) Any physician who submits any claim for reimbursement
9 under this chapter which is inaccurate or which is not supported
10 by records may be excluded from reimbursement of future claims
11 under this chapter.

12 (e) A listing of patient names shall accompany a physician's
13 claim, and those names shall be given full confidentiality
14 protections by the administering agency.

15 (f) *The administering agency shall not give preferential*
16 *treatment to any facility, physician, or category of physician and*
17 *shall not engage in practices that constitute a conflict of interest*
18 *by favoring a facility or physician with which the administering*
19 *officer has an operational or financial relationship.*

20 (g) *Payments shall be made only for emergency medical*
21 *services provided on the calendar day on which emergency*
22 *medical services are first provided and on the immediately*
23 *following two calendar days.*

24 (h) *Notwithstanding subdivision (g), if it is necessary to*
25 *transfer the patient to a second facility that provides for a higher*
26 *level of care for the treatment of the emergency condition,*
27 *reimbursement shall be available for services provided to the*
28 *facility to which the patient was transferred on the calendar day*
29 *of transfer and on the immediately following two calendar days.*

30 ~~SECTION 1. Section 1797.98c of the Health and Safety~~
31 ~~Code, as amended by Section 2 of Chapter 524 of the Statutes of~~
32 ~~2004, is amended to read:~~

1
2
3
4
5

**All matter omitted in this version of the bill
appears in the bill as introduced in the
Senate, February 22, 2005. (JR11)**

O